DIRECT TESTIMONY

OF

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TELECOMMUNICATIONS DIVISION

ILLINOIS COMMERCE COMMISSION

ICC ON ITS OWN MOTION

IMPLEMENTATION OF THE FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL REVIEW ORDER ("TRO") WITH RESPECT TO A BATCH HOT CUT MIGRATION PROCESS

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Q. Please state your name and business address.

A. My name is Torsten Clausen and my business address is 160 N LaSalle St, Suite C-800, Chicago, Illinois 60601.

Q. What is your occupation?

A. I am a Policy Analyst in the Telecommunications Division of the Illinois Commerce Commission ("Commission").

Q. Please describe your educational and occupational background.

A. I graduated in 1997 from the University of Giessen, Germany with a Bachelor of Arts in Business and Economics. In May 2000, I was awarded a Master of Science degree in Economics from the University of Wyoming.

The University of Wyoming M.S. in Economics degree program concentrates specifically on the economics of regulation. The graduate courses taken during this program include *Telecommunications: Policy and Regulation*, *Public Utilities Economics*, *Advanced Industrial Organization and Public Policy*, and a seminar in *Regulatory Economics*. My Master's thesis is entitled *Pricing based on Total Element Long Run Incremental Cost: An Economic Evaluation.* It analyzes the economic and other consequences of the FCC's use of the TELRIC costing methodology and explores alternatives.

From May to August of 1999, I was employed as an intern in the Policy Department of the Telecommunications Division with the Commission. In this capacity, I performed research and analysis of local telecommunications

competition and other policy related issues. Among other duties, I examined the effects of current Illinois Commerce Commission rules on arbitrated interconnection agreements, and contributed to a statutory, regulatory and judicial treatise on telecom regulation by providing analysis of the FCC's interconnection order (*Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98). During such internship, I also assisted Telecommunications Division staff in various docketed cases, including Case No. 98-0555, the Ameritech/SBC merger, 98-0860, SBC/Ameritech Service Reclassification, and numerous interconnection agreements. I started working full time as a Policy Analyst in the Telecommunications Division in June 2000.

Q. Have you previously testified before the Commission?

A. Yes. Among other cases, I provided testimony in ICC Dockets No. 00-0312/00-0313 (Rhythms/Covad & SBC arbitration), 00-0393 (SBC's line sharing tariff investigation), 01-0338 (TDS Metrocom & SBC arbitration), and 99-0615 (revisions to IL Admin. Code Part 790).

Q. What is the purpose of your testimony?

A. I am addressing SBC Illinois' ("SBC" or "SBCI") batch hot cut ("BHC") obligations as they relate to line sharing, line splitting, and Enhanced Extended Links ("EELs").

Q. What are the requirements of the BHC process?

A. Section 51.319(d)(2)(ii) of the Federal Communications Commission's rules provides the following:

> (ii) Batch cut process. In each of the markets that the state commission defines pursuant to paragraph (d)(2)(i) of this section, the state commission shall either establish an incumbent LEC batch cut process as set forth in paragraph (d)(2)(ii)(A) of this section or issue detailed findings explaining why such a batch process is unnecessary, as set forth in paragraph (d)(2)(ii)(B) of this section. A batch cut process is defined as a process by which the incumbent LEC simultaneously migrates two or more loops from one carrier's local circuit switch to another carrier's local circuit switch, giving rise to operational and economic efficiencies not available when migrating loops from one carrier's local circuit switch to another carrier's local circuit switch on a line-by-line basis.
>
> > (A) A state commission shall establish an incumbent LEC batch cut process for use in migrating lines served by one carrier's local circuit switch to lines served by another carrier's local circuit switch in each of the markets the state commission has defined pursuant to paragraph (d)(2)(i) of this section. In establishing the incumbent LEC batch cut process:
> >
> > > (1) A state commission shall first determine the appropriate volume of loops that should be included in the "batch."
> > >
> > > (2) A state commission shall adopt specific processes to be employed when performing a batch cut, taking into account the incumbent LEC's particular network design and cut over practices.
> > >
> > > (3) A state commission shall evaluate whether the incumbent LEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the incumbent LEC for any requesting telecommunications carrier in a timely manner, and may require that incumbent LECs comply with an average completion interval metric for provision of high volumes of loops.

Q. What is line sharing/line splitting?

A. Line sharing is the process by which a requesting telecommunications carrier

provides digital subscriber line ("DSL") service over the same copper loop that the incumbent LEC uses to provide voice service, with the incumbent LEC using the low frequency portion of the loop and the requesting telecommunications carrier using the high frequency portion of the loop.

Line splitting is the process in which one competitive LEC provides narrowband voice service over the low frequency portion of a copper loop and a second competitive LEC provides DSL service over the high frequency portion of that same loop.[1]

Q. Does the FCC's Triennial Review Order ("TRO") exclude line shared and/or line split loops from the Batch Hot Cut ("BHC") process?

A. No. As can be seen from the above quoted rules promulgated by the FCC in its Triennial Review Order, the FCC did not make a distinction between voice-only loops and voice-plus-data loops as they relate to the incumbent's hot cut obligations.

Q: What are the most common hot cut scenarios involving line shared or line split loops?

A: Covad witnesses Boone and Murphy describe the following four hot cut scenarios that they believe are the most common of all theoretically possible line sharing or line splitting scenarios:[2] Scenario 1 is a transition from line sharing to line splitting over UNE-L, Scenario 2 is line splitting over UNE-P to line splitting

[1] 47 C.F.R. § 51.319(a)(1)(ii)
[2] Direct Testimony of Catherine F. Boone and Kasie Murphy at pp. 12-13.

over UNE-L, Scenario 3 is SBCI voice-only to line splitting over UNE-L, and Scenario 4 is UNE-P to line splitting over UNE-L.

Q. SBC's current BHC proposal for *voice-only* loops consists of three distinct hot cut categories, namely, the defined batch, the enhanced daily process, and the bulk process. According to SBCI's own criteria for these different categories, which categories would the the four line sharing/line splitting scenarios fall under if SBCI's proposal included loops used for both voice and data?

A. Scenarios 2 and 4 would fall into SBCI's proposed "defined batch" process since there is no change in the provider of the voice service, i.e., the end users whose services are being migrated are part of the embedded base of UNE-P customers. Scenarios 1 and 3 would be part of the "enhanced daily process" since in those cases the customer chose to cancel SBCI's voice service and start voice service with a competitive carrier.

Q. Why did SBC Illinois decide not to include line sharing or line splitting conversions in its BHC proposal?

A. According to SBCI witness Chapman, SBCI did not include line sharing/line splitting migrations on the basis that "*SBC Illinois' batch cut proposal was designed to accommodate mass market DS0 lines*."[3] Ms. Chapman explains

[3] SBC Illinois Ex. 1.0 p. 65, lines 1404-1405.

further that the "*FCC's rule on the batch cut process specifically addresses end users currently receiving circuit switched voice service over DS0 loops.*

Q. Do you share Ms. Chapman's view that line shared or line split loops do not involve "*mass market DS0 lines*" and also do not involve "*end users currently receiving circuit switched voice service over DS0 loops*"?

A. No. I do not understand how Ms. Chapman can make the claim that line shared and line split loops do not constitute mass market DS0 lines. In fact, the FCC stated that "*mass market customers are analog voice customers that purchase only a limited number of POTS lines, and can only be economically served via DS0 loops.*"[4] Clearly, the customers in a line sharing or line splitting arrangement are almost exclusively residential customers and therefore "*analog voice customers that purchase only a limited number of POTS lines*". To remove any doubt and to use the FCC's own words, the TRO states that "*mass market customers consist of residential customers and very small business customers. Mass market customers typically purchase ordinary switched voice service (Plain Old Telephone Service or POTS) and a few vertical features. Some customers also purchase additional lines and/or high speed data services.*"[5]

Even less understandable from my point of view is Ms. Chapman's claim that line sharing or line splitting does not involve "end users currently receiving circuit switched voice service over DS0 loops."[6] As described above in setting forth the FCC's definitions of line sharing and line splitting, the customer receives circuit

[4] *TRO* at ¶ 497.
[5] TRO at ¶ 127.

switched voice service over a single DS0 copper loop from either the incumbent (line sharing) or the competitive carrier (line splitting) in both serving arrangements.

Q. SBCI further argues against including line sharing scenarios in its BHC proposal on the basis that "*there is no embedded base of existing customers that will need to be transitioned to CLEC-switching in the event that the Commission find [SIC] that CLECs are not impaired without access to unbundled switching.*"[7] Do you agree?

A. No. While I agree that line sharing migrations do not involve an embedded base of existing CLEC *voice* service customers (the CLEC has an existing DSL customer, however), those migrations nevertheless involve a hot cut as defined by the FCC. In fact, SBC addresses this type of hot cut for voice-only loops involving a new acquisition of a voice-service customer through its proposed "enhanced daily process". The only difference between the scenario addressed by SBC's enhanced daily process and a line sharing scenario is that the customer receives data service from a CLEC already.

Q. SBC claims that a hot cut involving a line shared loop is actually not a hot cut since "*the cut-over activity would actually occur within the CLEC's collocation cage.*"[8] Do you agree?

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[6] SBC Illinois Ex. 1.0 p. 65, lines 1410-1411.
[7] Id. at p. 65, lines 1421-1424.
[8] Id. at p. 66, lines 1447-1448.

A. No. The FCC's definition of a hot cut does not appear to have exclusions based on the location of the hot cut. The FCC defined a batch cut process "*as a process by which the incumbent LEC simultaneously migrates two or more loops from one carrier's local circuit switch to another carrier's local circuit switch […]*"[9] In other words, a line sharing conversion is still a migration from ILEC-provided switching to CLEC-provided switching, involving a hot cut. Specifically, SBCI's assertion does not seem to be correct when the line sharing CLEC uses SBCI's splitter. In that scenario, the cut-over activity would appear not to be happening within the CLEC's collocation cage. Moreover, SBCI's assertion holds true only if SBCI's preferred process for line splitting gets implemented. Specifically, SBCI's assertion holds true only if its refusal to let CLECs use the MDF or IDF for line splitting gets approved by the Commission. This could turn out to be the most pivotal issue in this dispute and thus will be addressed in more detail below.

Q. SBC states that line splitting processes "*are not fully developed as CLECs have only recently begun to express interest in this type of activity*."[10]
What is your response?

A. It is my understanding that these processes should have been a priority for SBC since the release of the FCC's *Line Sharing Reconsideration Order* ("*LSRO*") in January 2001, more than three years ago.[11] The LSRO directed ILECs to "*make*

[9] 47 C.F.R. § 51.319 (d)(2)(ii).
[10] SBCI Ex. 1.0 at p. 67, lines 1459-1461.
[11] Deployment of Wireline Services Offering Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order on Reconsideration in CC Docket No. 98-147, Fourth Report and Order on Reconsideration in CC Docket No. 96-98, Third Further Notice of Proposed Rulemaking in CC Docket No. 98-147, Sixth Further Notice of Proposed Rulemaking in CC Docket No.

all necessary network modifications to facilitate line splitting, including providing nondiscriminatory access to OSS necessary for pre-ordering, ordering, provisioning, maintenance and repair, and billing for loops used in line splitting arrangements."[12]

Q. SBC claims that CLECs "*are first waiting to see if SBC Illinois is willing to develop a new product offering where SBC Illinois would perform the work associated with connecting the voice CLEC and data CLEC's network*."[13] How do you respond?

A. It is my understanding that SBC would be required to perform the tasks necessary to connect the partnering CLECs in any scenario. The ILECs successfully argued to the FCC that it had no authority to require them to allow CLECs to cross-connect their collocation cages. Instead, the FCC ordered *the incumbents* to perform the cross-connections between collocation cages.[14]

Q. SBC cites differences in the type of loops (standard voice grade loops as opposed to 2-wire DSL-capable loops) as another reason why line shared or line split loops should not be included in the BHC process. Do you agree?

A. Absent any evidence from SBC, I cannot state whether the loop type plays any role in the migration from SBC's voice switch to a CLEC's voice switch. SBCI

96-98, FCC 01-26 (rel. January 19, 2001) ("*Line Sharing Reconsideration Order*" or "*LSRO*")
[12] *LSRO* at ¶ 20.
[13] Id. at p. 67, lines 1464-1466.
[14] Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket N0. 98-147,

witness Chapman is considerably vague on this argument. Specifically, if SBCI is implying that a migration of an existing 2-wire DSL loop is more complicated than a migration of a standard voice-grade loop, then SBCI should show evidence to that effect. If SBCI's intention here was to point to the fact that some migrations involve the initial provisioning of DSL service to a customer, and therefore potentially requiring loop conditioning or a different copper pair (scenarios 3 and 4), then I agree that such migrations require more steps than a voice-only loop migration. As discussed in greater detail below, the fact that more work steps have to be performed in some of these scenarios could ultimately lead to the conclusion that a process separate from the process for voice-only loops has to be developed.

Q. In her testimony, Ms. Chapman first addresses line sharing migrations and later addresses line splitting. Are her arguments against including line splitting scenarios in SBCI's BHC proposal any more convincing than her arguments against including line sharing scenarios?

A. No. In fact, almost all of SBCI's arguments against the inclusion of line splitting scenarios are exactly the same arguments used against including line sharing migrations.

Fourth Report and Order, FCC 01-204 (rel. August 8, 2001) ("*Collocation Remand* Or*der*") at ¶ 79-84.

Q. SBC also states that "*the volumes that could be reasonably expected to occur will [SIC] at any given time simply do not lend themselves to the development of a batch process.*"[15] What is your response?

A. First of all, this argument assumes that line shared and line split loops cannot be incorporated into SBCI's proposed BHC process; an assumption that SBCI has failed to support. Second, even if there is going to be a separate process for line sharing and line splitting scenarios, SBC has not provided support for its claim that "*the expense involved with developing a batch process would almost certainly be considerably greater than any potential savings*."[16] In fact, I am surprised that SBCI can claim the lack of potential savings of a BHC process for line sharing/line splitting migrations when SBCI apparently does not even have a process in place that allows it to accomplish one hot cut at a time. Even more to the point, SBCI acknowledges that it is not aware of having performed these types of migrations at all. See attached response to Staff DR BC TC 1.02 – 1.09. SBCI states that "*since SBCI does not inventory UNEs based on whether or not they are part of a line splitting arrangement, SBC Illinois would not necessarily know if such an activity occurred.*"

Third, SBC has not specified what numbers it has in mind when referring to "*numbers needed for a batch process*."[17] It is not surprising, however, that SBCI has not specified such batch hot cut numbers since there is no process in place

[15] Id. at p. 65, lines 1433-1435.
[16] Id. at p. 66, lines 1436-1437.
[17] Id. at p. 66, lines 1440-1441.

for such migrations, let alone a potential batch process. To illustrate this, SBCI refers to all four scenarios as "hypothetical migrations."[18]

Q. Assuming the volumes of potential hot cuts involving voice-plus-data loops will never reach levels that are similar to those for voice-only loops, do you think it is prudent for the Commission to conclude that such hot cut processes should not be addressed?

A. No, that is far from advisable. The basic presumption in the TRO's discussion of batch hot cuts is the fact that, at the time the TRO was released, ILECs already had a hot cut process for moving a voice-only loop from its local circuit switch to another carrier's local circuit switch. In fact, the ILECs argued that their hot cut performance had been previously found satisfactory for section 271 approval purposes; at both the federal and state level. The ILECs' arguments were further supported not only by the fact that performance measures for these voice-only hot cuts already existed but also by the fact that, despite an increase in the level of performed hot cuts, these performance measures were largely met or exceeded.[19] In addition, Verizon claimed, as early as December 2002, that its processes could be adjusted to permit more than 150 hot cuts per day, per central office.[20]

Despite the industry's existing, albeit limited, experience with hot cuts for voice-only loops, the FCC still concluded that more was needed to remove potential

[18] SBCI's response to Staff Data Request BC TC 1.10 – 1.13 (Attachment 1).
[19] *TRO* at ¶ 469 and footnote 1434. See also SBCI Ex. 5.0 (James D. Ehr), pp. 4-10.
[20] *TRO* at ¶ 468 footnote 1432.

barriers to entry and required the development of a batch process.[21] Yet for voice-plus-data loops, even the most basic outline of a potential process is still hotly disputed within the industry. I address this in more detail below. Thus, I am recommending that the Commission recognize in this initial 9-month proceeding this severe deficiency and potentially significant barrier to entry. The Commission should require SBCI to propose a hot cut process for the four voice-plus-data loop migrations.

Q. Returning to SBCI's sweeping argument that there is not enough volume for voice-plus-data loop migrations, do you agree that the volume of hot cuts was the exclusive factor in the FCC's determination that a batch hot cut process needs to be developed?

A. No. The FCC stated that "*the economic and operational barriers caused by the cut over process [….] include the associated non-recurring costs, the potential for disruption of service to the customer [….]*"[22] and the unability "*to handle the necessary volume of migrations [….].*"[23] It could be argued that the complete lack of a process renders SBCI "unable to handle the necessary volume" of line sharing and line splitting migrations since the necessary volume appears to be more than zero.

[21] *TRO* at ¶ 469. See also TRO at ¶ 469 footnote 1435 (also rejecting the claim made by BOCs that their Section 271 orders support a finding that their existing hot cut processes do not impair competing carriers because the "orders examined the adequacy of hot cuts at a time when competitive LECS were principally using unbundled local circuit switching to compete for mass market customers); id. at footnote 1437 (stating that "incumbent LECs' promises of future hot cut performance are insufficient to support a [FCC] finding that the hot cut process does not impair the ability of a requesting carrier to provide the service it seeks to offer without at least some sort of unbundled circuit switching.").
[22] *TRO* at ¶ 459.
[23] *TRO* at ¶ 459.

Furthermore, the associated non-recurring costs and the potential for disruption of service to the customer cannot even be quantified at this time since no process for the "hypothetical" migrations currently exists. The associated non-recurring costs in particular have the potential to vary significantly with the specifics of such a migration process.

Q. Are there any facts that may affect the demand or need for batch hot cuts involving line sharing or line splitting scenarios?

A. Yes. In Docket No. 03-0595 SBC has sought a finding of non-impairment for mass market switching which, if granted, would eliminate the availability of UNE-P in major parts of SBC's service territory. If SBC is successful in obtaining the relief it seeks, this will result in CLECs using UNE-L instead of UNE-P when attempting to provide service to a customer who receives DSL service from a provider other than SBC. In other words, scenarios where a hot cut was previously not necessary because the CLEC made use of the availability of UNE-P will now require a migration from ILEC-provided switching to CLEC-provided switching, i.e., a hot cut. To illustrate, assume the following situation: A customer receives voice service from SBCI and DSL service from Covad (line sharing). MCI contacts the customer and "wins" her as a new voice service customer. With the availability of UNE-P, there is no need to physically modify the loop and switching arrangement for that customer. Without the availability of UNE-P, however, the loop will have to be cut over from SBCI's local circuit switch to MCI's local circuit switch, i.e., a hot cut becomes necessary. Moreover, the

recent partnerships between Covad and some voice providers have the potential to significantly increase demand for line splitting migrations. This is important because the FCC indicates that the relevant test is not the ability to meet existing demand, but rather the demand if unbundled switching is no longer available.[24]

Q. Covad witnesses Ms. Boone and Ms. Murphy define a BHC process as "*the migration of the embedded base of CLEC customers that obtain ILEC switching, to an arrangement with CLEC switching.*"[25] Do you agree?

A. No. In fact, I am somewhat puzzled by that definition especially given the fact that it contradicts other parts of their testimony.

Q. Can you explain further?

A. Yes. The testimony of Ms. Boone and Ms. Murphy contains two different definitions of a BHC process. They first describe the BHC process as "*the process by which an ILEC migrates an embedded base of a CLEC's UNE-P customers (CLEC voice with ILEC switching) and/or a CLEC's line splitting over UNE-P (CLEC voice with ILEC switching and CLEC DSL) customers to UNE-L (CLEC voice with CLEC switching) and/or line splitting over UNE-L (CLEC voice with CLEC switching and CLEC DSL)*."[26] Later, on the same page, they state that "*literally hundreds of potential types of migrations to and from loops with voice plus data*" should be included in a BHC process.[27] Of the four scenarios

[24] *TRO* at ¶¶ 468, 469 and fn. 1435.
[25] Direct Testimony of Catherine F. Boone and Kasie Murphy at p. 11-12.
[26] Id. at p. 12, lines 1-6.
[27] Id. at p. 12, lines 9-10.

they deem to be the most crucial at this point, two (Covad's Scenarios 1 and 3) are not included in their earlier definition of a BHC process since they involve conversions where the end user is receiving voice service from the ILEC before the migration, i.e., the customer is not part of an embedded base.[28]

Q. Which of the two Covad definitions of a BHC process is the most appropriate?

A. As stated earlier in my testimony, I believe that migrations involving new acquisitions of voice service customers should be part of the BHC process. In addition, I agree with Covad witnesses Boone and Murphy that the previously mentioned four most common line sharing or line splitting scenarios should be addressed in the context of a BHC process since this Commission is charged with establishing "*an incumbent LEC batch cut process for use in migrating lines served by one carrier's local circuit switch to lines served by another carrier's local circuit switch […]*"[29]

Q. On page 13, Covad witnesses Boone and Murphy describe additional migration scenarios that should be addressed by a BHC process. Do you agree?

A. I agree that there are additional potential migration scenarios that are hot cut scenarios since they involve a transition from one carrier's local circuit switch to another carrier's local circuit switch. Covad Exhibit CB-KM-6 lists those in

[28] Id. at p. 12, lines 11-19.
[29] 47 C.F.R. § (d)(2)(ii)(A).

addition to scenarios that, in my opinion, do not involve a hot cut. Further, I disagree with the assertion on page 13, line 19-21 of Ms. Boone and Ms. Murphy's testimony. There they state that a variation of Scenario 2 is also an additional hot cut scenario. Specifically, they state that a migration where a MCI voice service customer who also subscribes to SBC's DSL service wishes to switch to Covad's DSL service while migrating from MCI provided UNE-P to MCI provided UNE-L is also a hot cut scenario. It is my understanding that this scenario is not going to occur in reality since SBC does not offer DSL service to customers who do not subscribe to SBC's local voice service.

Q. Covad also expresses concern for customers who are currently receiving voice and DSL service from SBC. Specifically, Covad states that "*in the absence of voice plus data migration, all of these customers are locked in to obtaining SBC voice service, and precluded from obtaining voice service from a CLEC.*"[30] Do you share the concern?

A. No. While I agree that it is unfortunate that SBC's advanced services affiliate, ASI, does not partner with a voice provider other than SBC, there does not appear to be a requirement for ASI to do so. Line splitting appears to be an option, rather than a requirement, for DSL providers. Hence, I do not agree with Covad's statement that "*in the absence of voice plus data migration, all of these customers are locked in to SBC voice service [….]*"[31] In my opinion, these customers are locked in to SBC's voice service because ASI refuses (and is not

[30] Direct Testimony of Catherine F. Boone and Kasie Murphy at p. 16, lines 22-24.
[31] Id. at p. 16, lines 22-23.

required) to line split with another voice provider and not because of the absence of a hot cut process.

Q. Do you agree that all issues addressed by Covad are indeed hot cut issues and should therefore be addressed in this proceeding?

A. No. In fact, although I believe the issues identified by Covad on pages 36-46 might very well be real issues, they do not appear to be issues that could be properly addressed in this proceeding, which is charged with establishing a hot cut process. For example, the data disconnect process described by Covad is not directly related to a hot cut scenario[32] and neither is the repair process that Covad wishes SBC to address.[33]

Q. After reviewing the testimony by SBC and the CLECs, what do you perceive to be the "real" issue with respect to line sharing or line splitting arrangements?

A. It appears that the main dispute centers around the actual provisioning of line sharing/line splitting migrations in SBC's central office.

Q. Please explain.

A. While SBC witness Chapman only addresses this issue on a high level when she states that the CLECs are "*waiting to see if SBC Illinois is willing to develop a new product offering where SBC Illinois would perform the work associated with*

[32] Id. at pp. 36-38.
[33] Id. at pp. 38-39.

connecting the voice CLEC and data CLEC's network"[34], Covad witnesses Boone and Murphy delve into a little more detail on this issue. They describe their desire to connect a voice CLEC's network with a data CLEC's network through the use of SBC's Main or Intermediate Distribution Frame ("MDF" or "IDF"). Specifically, they contend that without the use of SBC's MDF or IDF, separately cross-connecting Covad's collocation cage with every voice CLEC's collocation cage is unnecessarily inefficient and costly. SBC, on the other hand, contends that it should not be involved at all in the process of connecting the two CLECs' networks that partner in a line splitting arrangement. Moreover, if Covad's belief is correct that SBCI will provision cross-connects between CLECs in a timeframe comparable to provisioning interval for collocation augmentations, such direct cross-connections have the potential to take several months to complete.[35]

Q: What is SBC's proposed provisioning method for this scenario?

A: While SBC has not specifically stated its proposal, it seems obvious that it refuses to let partnering CLECs use its MDF or IDF for cross-connect purposes. SBCI is apparently of the opinion that CLECs need to cross-connect individually and directly (from collocation space to collocation space).

Q. Given SBCI's position of not wanting to connect CLECs' networks in general and refusing to let CLECs use its distribution frames for such purposes in particular, what is your initial reaction?

[34] SBC Illinois Ex. 1.0 p. 67, lines 1464-1466.
[35] Direct Testimony of Catherine F. Boone and Kasie Murphy at pp. 23-24.

A. As stated earlier, it is my understanding that the FCC ordered the ILECs to perform the cross-connections between the CLECs' collocation spaces. In addition, the FCC further concluded that, "*in provisioning cross-connects, incumbent LECs should use the most efficient interconnection arrangements available that, at the same time, impose the least intrusion on their property interest.*"[36] Even more to the point, the FCC recognized "*that incumbent LECs, however, are not required to provide competitors better interconnection or access to the network than already exists. This requirement merely allows the collocator to use the existing network in as efficient a manner as the incumbent uses it for its own purposes.*"[37]

The last requirement in particular seems to be applicable here. The CLECs desire to use the existing network (both the CLECs' cabling, connecting their eqipment with the ILEC's network, and the ILEC's IDF or MDF itself) in an efficient manner appears to be consistent with the FCC's mandate in this area. Of course, matters such as these are seldom as straightforward as they initially seem. It is for this reason, among others, that I recommend the Commission not make a finding on the proper use of the ILEC's distribution frame and thus the specifics of a process for migrating customers to line splitting arrangements.

Q. What is your recommendation on this issue?

A. I am not an engineer and I have not been presented with specific evidence from SBC that would support its refusal to let the CLECs cross-connect at the MDF or

[36] Id. at ¶ 76.
[37] Id.

IDF. At first blush, however, it seems significantly inefficient and impractical to require a data CLEC to purchase separate cross-connects to several different collocation cages of other voice CLECs.

Q. Are you aware of the presently on-going line splitting collaborative?

A. Yes. According to both SBC and Covad, a 13-state collaborative workshop addressing line splitting issues was held in November and December 2003, with another one scheduled for February 2004. While it is my hope that some of the issues surrounding the ordering and provisioning of line splitting over UNE-L will be resolved at the workshops, I do not think that the workshops are a substitute for finding that SBC's proposed BHC is insufficient when it comes to voice-plus-data loop migrations.

Q. What decisions does the Commission have to make regarding a BHC process and line sharing or line splitting?

A. First, the Commission needs to decide whether the four scenarios described above constitute migrations for which a hot cut process needs to be developed. Second, if the Commission finds that such a process is necessary, the Commission has to rule on the specifics of such a hot cut process. In particular, it has to decide if and how voice-plus-data loops should be included in the BHC process for voice-only loops. If the Commission decides not to include voice-plus-data loops in the "regular" BHC process, it has to approve a separate process for such migrations.

Q. What is your recommendation regarding the first necessary decision?

A. As explained in more detail above, I recommend that the Commission find the four line sharing or line splitting migrations to be migrations of "*lines served by one carrier's local circuit switch to lines served by another carrier's local circuit switch […]*"[38]and thus in need of a hot cut process.

Q. Since you recommend the Commission find these migrations require a hot cut process, do you believe the Commission should make a determination as to the specifics of such a process at this time?

A. No. My initial review of the issues involved leads me to believe that line sharing or line splitting migrations raise several separate ordering and provisioning challenges that are not applicable to voice-only loops. In fact, Covad's detailed description of some of these challenges highlight the potential difficulties with incorporating line sharing or line splitting loops into the "regular" hot cut batches. For example, scenarios 3 and 4 (SBC voice-only to line splitting over UNE-L) require an initial determination of DSL-capability for that customer. As Covad itself states, the CLEC needs to determine "*whether the customer is eligible to receive DSL services and whether any further action, such as loop conditioning or the selection of a new loop, is necessary to provide the desired broadband services and speeds to the customer.*"[39] Clearly, these are steps not needed when the only service provided to the customer is voice service.

[38] 47 C.F.R. § (d)(2)(ii)(A).
[39] Direct Testimony of Catherine F. Boone and Kasie Murphy at p. 18, lines 18-20.

Nevertheless, a final determination should only come after a more careful review of the necessary steps in a process for voice-plus-data loop migrations. Specifically, I recommend that the Commission not delay the approval of a BHC process for voice-only loops.

Q. Why do you believe it is advantageous to rule on the "regular" BHC before approving a hot cut process for line shared or line split loops?

A. First, the complexities of ordering and provisioning voice-plus-data loops appear to be much greater than those for voice-only loops. I do, however, agree with AT&T that "just because these scenarios introduce added complexity does not mean they should be ignored."[40]

Second, as of today, the processes for voice-only migrations are much more defined than migrations for voice-plus-data loops. The industry appears to be at a substantially more infant stage for migrations involving a data service. In addition, the simple fact that the absolute number of voice-only loops dwarfs the number of voice-plus-data loops in service arguably lends a greater sense of urgency to the migration of voice-only loops. Of course, increasing levels of DSL subscribers and increased line splitting partnerships between voice and data CLECs are likely to change this. Hence, I recommend the Commission not rely solely on the current 13-state line splitting workshop to reach a satisfactory outcome.

[40] Direct Testimony of Mark David Van De Water at p. 33, lines 1-2.

Q. What timeframe are you recommending for developing a process for line shared or line split loops?

A. I recommend that the Commission require SBCI to present Staff a hot cut proposal for line shared or line split loops within 60 calendar days after the adoption of an Order by the Commission in this Docket. The Commission should require Staff to prepare a report shortly after that, which would contain Staff's recommended procedural course of action at that time. This should give SBC ample opportunity to work with the CLECs on such a process and, at the same time, it should give CLECs assurance that these issues will get decided by a date certain.

Q. Why are you recommending 60 days from the date of a Commission Order as the date by which SBCI should present its hot cut proposal to Staff?

A. I am recommending that timeframe for several reasons. First, SBC and the CLECs are already in collaboratives on some, if not all, of the issues to be addressed. Second, I do not view it likely that granting SBC and the CLECs much more time than that will lead to a satisfactory outcome. Third, it still allows the Commission to grant the CLECs' requested relief of maintaining access to unbundled switching until a process for all hot cut scenarios is in place. In other words, it allows the Commission to make an affirmative finding whether or not CLECs face an exceptional source of impairment pursuant to paragraph 503 of the TRO while the CLECs still have access to unbundled switching. Specifically, even if the Commission finds non-impairment with respect to mass-market

switching in Docket No. 03-0595 in July 2004, the FCC's rules allow CLECs to request access to unbundled local circuit switching for 5 more months after a finding of non-impairment.[41] Moreover, a CLEC has 13 months after the finding of non-impairment to transition one-third of its local circuit switching end users.

Q. What is an Enhanced Extended Link ("EEL")?

A. An Enhanced Extended Link or EEL consists of a combination of an unbundled loop and unbundled dedicated transport, together with any facilities, equipment, or functions necessary to combine those network elements.[42]

Q. MCI proposes that the Commission order SBC to include a process for EEL migrations in its BHC proposal. Do you agree?

A. Yes, I agree that EEL migrations need to be addressed by SBC. It is my understanding, however, that this issue is also being litigated in ICC Docket No. 02-0864 (the UNE rate case). I recommend the Commission require SBC to propose a process for EEL migrations together with its proposal for line sharing and line splitting migration within 60 calendar days of the adoption of an Order in this Docket. Such proposal should also include the pricing for said conversions and the appropriate performance measures. The reasoning that applies to the development of a hot cut process for voice-plus-data loops also applies to a process for EELs migrations and therefore my recommendation matches that for line sharing and line splitting migrations.

[41] *TRO* at ¶ 532.
[42] 47 C.F.R. § 51.5.

Q. Please summarize your findings and recommendations.

A.

- The Commission should find that the above described four line sharing and line splitting migrations involve a hot cut since they are migrations from one carrier's local circuit switch to another carrier's local circuit switch.
- Those four migration scenarios raise several separate ordering and provisioning challenges that are not applicable to voice-only loops. The complexities of ordering and provisioning voice-plus-data loops appear to be much greater than those for voice-only loops.
- The processes for voice-only migrations are much more defined than migrations for voice-plus-data loops since SBCI acknowledges that it is not aware of having even performed those four migration scenarios involving voice-plus-data loops.
- I recommend that the Commission not delay the approval of a BHC process for voice-only loops.
- I recommend that the Commission require SBC Illinois to present Staff a hot cut proposal for line shared and line split loops within 60 calendar days after the adoption of an Order by the Commission in this Docket. The Commission should also demand a Staff Report shortly after that, which would contain Staff's recommended procedural course of action at that time.
- I also recommend that EEL migrations need to be addressed by SBC Illinois. I recommend the Commission require SBC to propose a process for EEL migrations together with its proposal for line sharing and line splitting migration within 60

583 calendar days of the adoption of an Order in this Docket. Such proposal should also
584 include the pricing for said conversions and the appropriate performance measures.
585
586 **Q. Does this conclude your testimony?**
587 A. Yes.